

EXHIBIT 1

Price Committee

StoreKit External Purchase Link Entitlement (US)

1/16/24

Recommendation

Commission: 27% standard | 12% program

Time Window: 7 days

Includes auto-renewals for subscriptions initiated during time window

Program Eligibility:

Small Business Program and Tenured Subscriptions are eligible

Video Partner Program and News Partner Program not eligible

Summary

Resulting from the Epic injunction, Apple is

“permanently restrained and enjoined from prohibiting developers from (i) including in their apps and their metadata buttons, external links, or other calls to action that direct customers to purchasing mechanisms, in addition to In-App Purchasing and (ii) communicating with customers through points of contact obtained voluntarily from customers through account registration within the app.”

Permanent Injunction Order

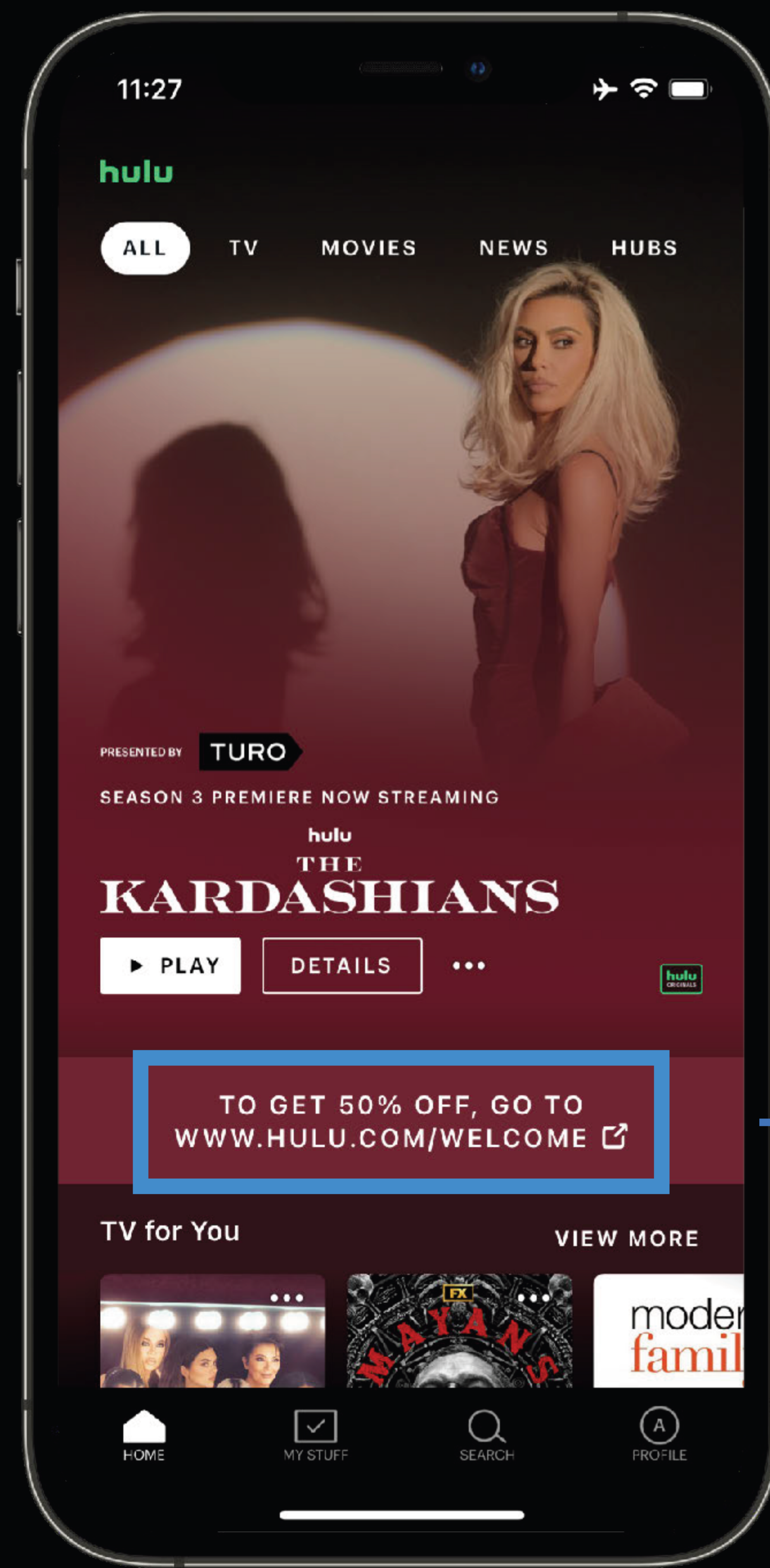
Compliance Requirement

Item	StoreKit External Purchase Link Entitlement
Geo	US
Eligibility	iOS or iPadOS App Store, US storefront
Compliance Date	As soon as January 16

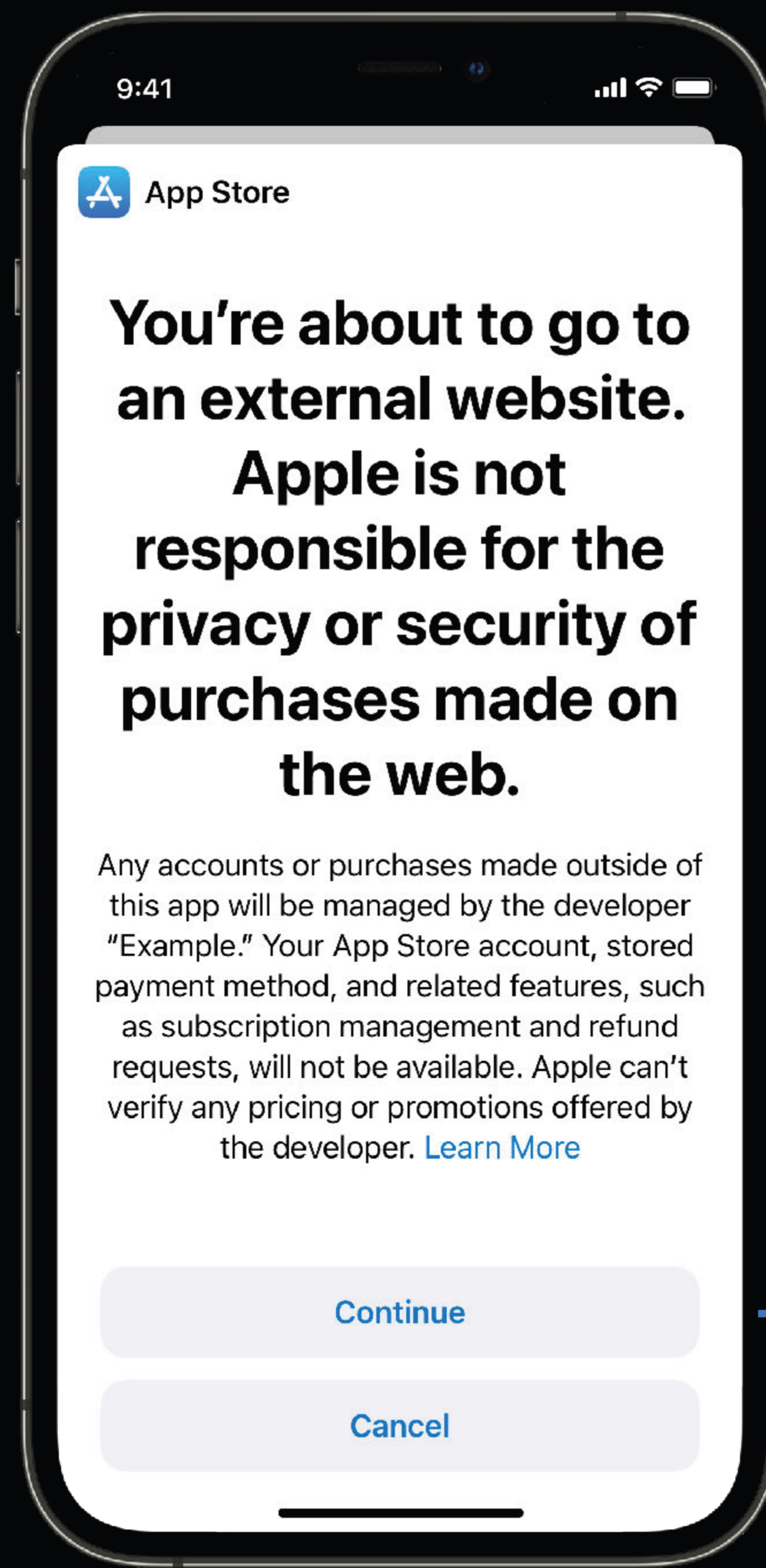
Key Pricing Considerations

- Commission Rate
- Commission Time Window
- Program Eligibility

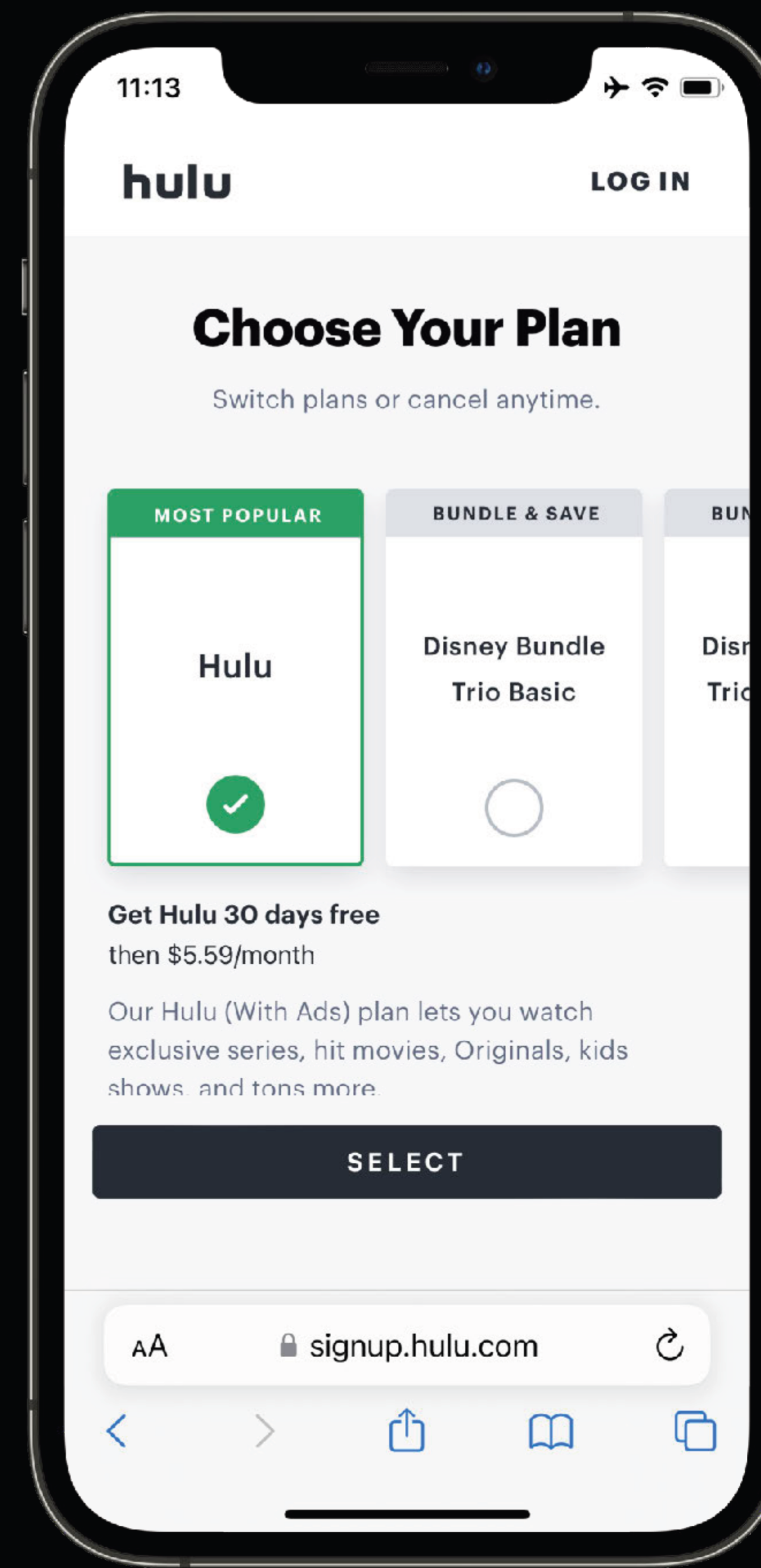
Entitlement Policies & User Experience



In-App call to action



System disclosure sheet



Web: Choose Plan

- Language and design must follow templates
- One URL per app
- Displayed once in an app, on an app page user navigates to (not an interstitial, modal, or pop-up), and can't persist when user leaves page
- Cannot be displayed on any page that is part of flow to merchandise/initiate an IAP

Analysis Group Valuation of Developer Offering Components

All percentages are expressed relative to customer spend

Apple Framework	Analysis Group Framework	Estimated Costs for Developers	Notes
Platform Integrity	Platform Technology	30% for integrated game platforms (inclusive of other items)	Provides a lower bound on the value because substitutes do not replicate all capabilities of the Apple platform
Curation for Safety, Privacy, and Trust		5% - 20% for platform technology with demand generation	
Proprietary Tools and Technology		0.3% - 6% for platform technology with no demand generation	
Marketplace Tools and Services	Developer Tools and Services	3% - 16%	A key benefit of current Apple model is that it lowers startup costs and risks
Distribution at Scale	Distribution	4% - 25%	Provides a lower bound that does not include the significant value of users' trust in the App Store's privacy and piracy protection measures
Discovery	Discovery	5% - 21%	Assembling a package of third-party discovery tools involves substantial effort and may require paying for services without realizing revenue
IAP Payments and Commerce	No valuation exercise undertaken	Not estimated	

Integrated Platform Marketplace Competitors

	<div><div></div> Full-featured</div>	<div><div></div> Basic</div>	<div><div></div> Limited/None</div>	StoreKit External Purchase Link Entitlement (US)	App Store	Google Play	Microsoft Store (Xbox)	Playstation Store	Nintendo eShop	Microsoft Store (PC)
Pricing	27% standard with 7 day window 12% for SBP and tenured subs with 7 day window			30% standard 15% tenured subs 15% VPP / NPP 15% SBP		30% standard 15% subscriptions 10-15% Play Media Experience 15% under \$1M		30% standard		15% for apps 12% for games 0% for non-gaming apps with 3P billing
Negotiated Deals	No			No		Yes		Yes		Yes
Platform Integrity										
Proprietary Tools & Technologies										
Curation for Safety, Privacy, and Trust										
Distribution at Scale										
Discovery										
Marketplace Tools and Services										
IAP Payments & Commerce										

Standalone Marketplaces Competitors

	Full-featured	Basic	Limited/None	StoreKit External Purchase Link Entitlement (US)	Steam		Amazon Appstore		Samsung Galaxy Store		Epic Games Store		ONE store		Codashop	
Pricing				27% standard with 7 day window	30% under \$10M		30% standard		30% standard		12% standard		20% standard		15%	
					25% \$10M - \$50M		20% SBP equivalent (additional 10% in free AWS credits)				0% with 3P billing		5% with 3P billing			
				12% for SBP and tenured subs with 7 day window	20% above \$50M											
Negotiated Deals				No	No		Yes		Yes		Yes		Yes		Yes	
Platform Integrity				●			●		●		○		○		○	
Proprietary Tools & Technologies				●			●		●		●		○		○	
Curation for Safety, Privacy, and Trust				●			●		○		○		○		○	
Distribution at Scale				●	●		●		●		●		○		○	
Discovery				●	●		●		●		●		●		●	
Marketplace Tools and Services				●	●		●		●		●		●		○	
IAP Payments & Commerce				○	●		●		●		●		●		●	

Time Window Benchmarks

Affiliate Benchmarks

	Company	Time Window
First Party Affiliate Programs	Microsoft	14 days
	Norton Lifelock	30 days
	Wall Street Journal	30 days
	McGraw Hill	30 days
	Bluehost	90 days
Platform Affiliate Programs	eBay	24 hours
	Amazon	24 hours
	Walmart	3 days
	Etsy	30 days

Advertising Benchmarks

	Company	Time Window
Mobile Measurement Partners	Adjust	7 days
	AppsFlyer	7 days
	Branch	7 days
	Singular	7 days
	Kochava	30 days
Self- Attributing Networks	Meta	7 days
	Snapchat	28 days
	Twitter	30 days
	Google	30 days

First Party Affiliate Programs are those where firms use affiliate programs to sell their own products
Platform Affiliate Programs are those where platforms use affiliate programs to boost the sales of third-party merchants on their platform
Source: App Store Commission Rates and the Value of Apple and the App Store to Developers - January 2024

App Store Ecosystem Indicative P&L

	WW		US	
	Method 1 <i>Simplified</i>	Method 2 <i>Custom R&D Spend Allocation Methodology</i>	Method 1 <i>Simplified</i>	Method 2 <i>Custom R&D Spend Allocation Methodology</i>
App Store Billings				
Developer Payouts				
Contra Revenue				
Revenue				
OCOGS				
Credit Card Fee				
Adj Gross Margin \$				
Adj Gross Margin %				
Direct OPEX				
R&D (Allocated)				
G&A (Allocated)				
Operating Margin \$				
Opex % of Total Apple				
Operating Margin %				

Credit Card fee included in Adjusted Gross Margin

App Store Ecosystem Indicative P&L

Allocation Assumptions

		R&D and G&A Simplified	R&D Custom Spend Allocation Methodology G&A Simplified
Cost Attribution	Group	Method 1	Method 2
Direct		Direct	
R&D			
G&A			
Excluded			

Projected Effective Commission on Entitlement Transactions

Commission Rate

Time Duration	20%	23%	25%	27%	30%
Current Session	12%	14%	16%	17%	20%
24 hrs	12%	15%	16%	18%	20%
72 hrs	12%	15%	16%	18%	21%
7 Days	12%	15%	17%	18%	21%
30 Days	13%	16%	18%	20%	22%

Financial Assumptions : 50% returning customers | *effective commission does not account for collection/measurement risk*

Projected Effective Commission on Entitlement Transactions

	\$ Projections	Projected Effective Commission %
<div>Entitlement Billings</div> <div>Commission on 100% of Entitlement Billings</div> <div>Loss due to lower billings in 7 Day Attribution Window</div>		
<div>Projected Revenue</div> <div>Assuming all future sales via direct web</div> <div>Assumes 50% customers return to use entitlement for subsequent purchases</div>		
<div>Projected Revenue</div> <div>with 50% assumption</div>		

Financial Assumptions :
7 Days Attribution window | **50%** returning customers | **30%** entitlement share | **~75%** billings entitlement implementation
Effective commission does not account for measurement risk

Steady State Net Impacts on App Store Financials

Operating margin impacts are net of both entitlement and standard Apple IAP business

\$ Impact vs baseline
% Change vs baseline

Revenue Impact Commission Rate

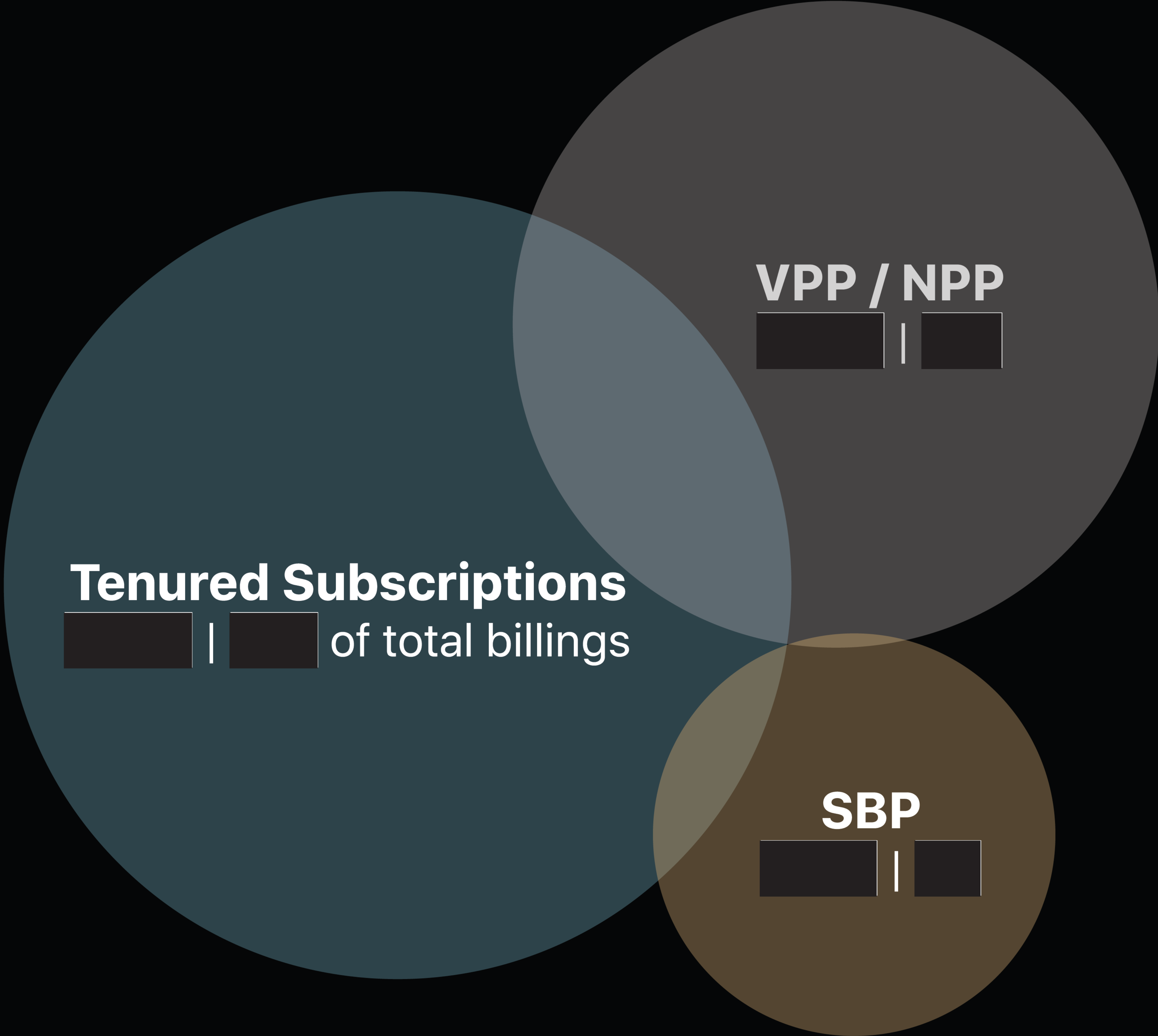
Duration	20%	23%	25%	27%	30%
Current Session					
24 hrs					
72 hrs					
7 Days					
30 Days					

Gross Margin Impact Commission Rate

20%	23%	25%	27%	30%

Financial Assumptions :
50% returning customers | **30%** entitlement share | **10%** measurement impact | **~75%** billings entitlement implementation

Program Eligibility Recommendation



Small Business Program

Standard: 15%

Entitlement: 12%

Tenured Subscriptions

Standard: Year One 30% | Year Two+ 15%

Entitlement: Year One 27% | Year Two+ 12%

Video Partner Program / News Partner Program

Standard: 15%

Entitlement: Not Eligible

FY23 Annual Program Billings | % of US Total Billings

